

HOUSE BILL 1577
By Johnson R

AN ACT to amend Tennessee Code Annotated, Title 35,
Chapter 5, relative to judicial or trust sales.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 35, Chapter 5, Part 1, is amended by
adding the following new section:

Section 35-5-116

(a) Within sixty (60) days of a sale of land for the foreclosure of a deed of trust pursuant to this chapter, the trustee or substitute trustee may rescind such sale and trustee's deed or similar document of conveyance by filing an affidavit to rescind trustee's deed and sale with the applicable register of deeds.

(b) Damages for the rescission of such sale by the trustee shall be limited to the following:

(1) Return of the purchase price;

(2) Lost interest paid by the purchaser who purchased at the foreclosure sale as a result of the rescission of trustee's deed or similar document of conveyance; and

(3) Any related recording fees paid by the purchaser at the foreclosure sale.

SECTION 2. Tennessee Code Annotated, Title 35, Chapter 5, Part 1, is further amended by adding the following new section:

Section 35-5-117. In any sale of land for the foreclosure of a deed of trust pursuant to this chapter, the purchaser obtains no implied warranty of title and shall have no recourse on the trustee or creditor for failure of title.

SECTION 3. Tennessee Code Annotated, Section 35-5-107, is amended by deleting such section in its entirety.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.